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1952 OUTLOOK ISSUE
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THE

Livestock and Meat SITUATION

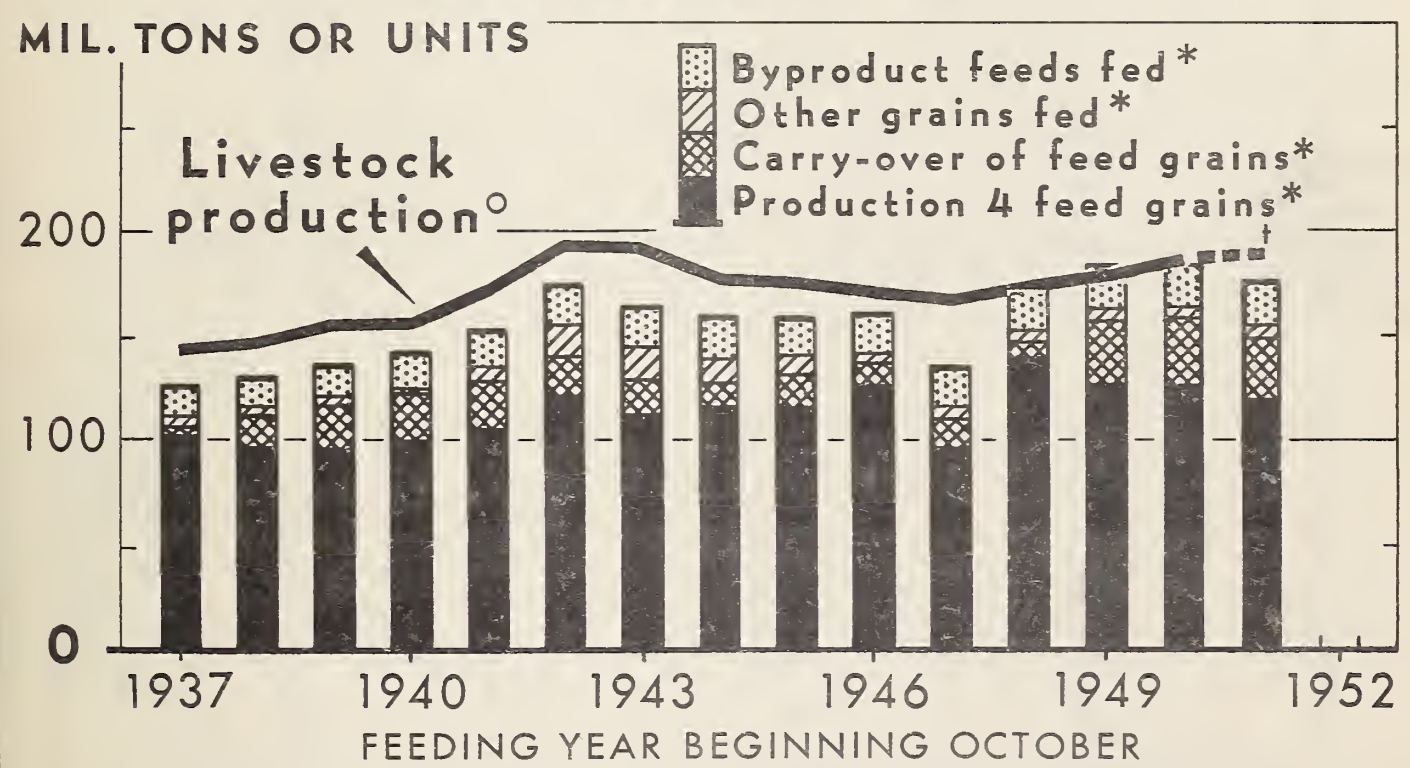
BUREAU OF AGRICULTURAL ECONOMICS
UNITED STATES DEPARTMENT OF AGRICULTURE

LMS-56

BAE

OCTOBER 1951

FEED SUPPLY AND LIVESTOCK PRODUCTION



*MAKE UP CONCENTRATE SUPPLY ^oUNITS, WEIGHTED BY GRAIN REQUIREMENTS [†]INDICATED OCT. 1

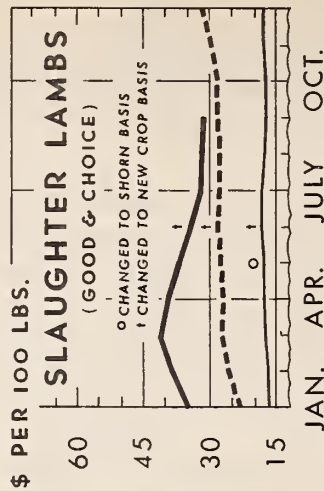
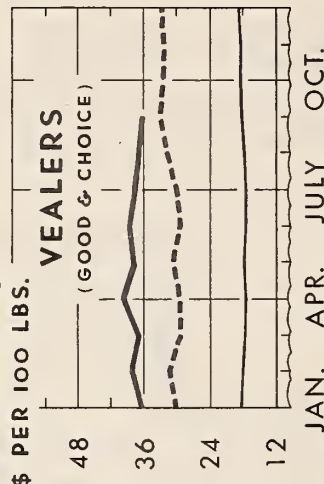
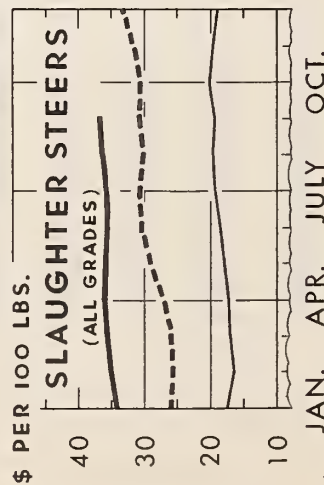
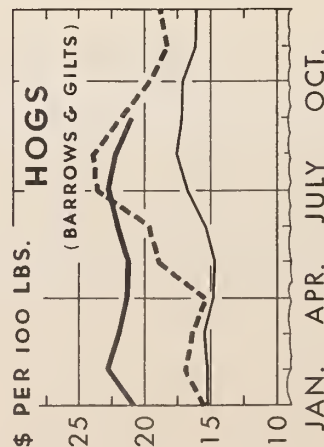
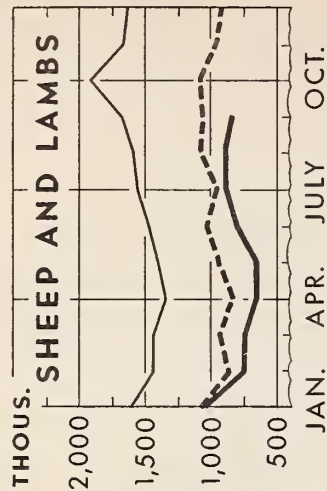
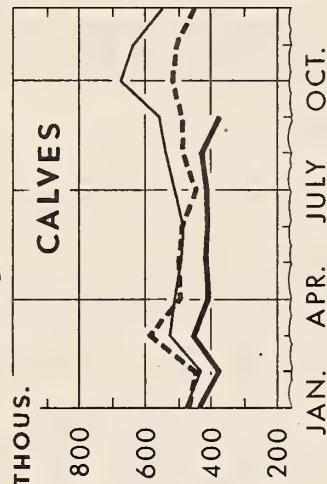
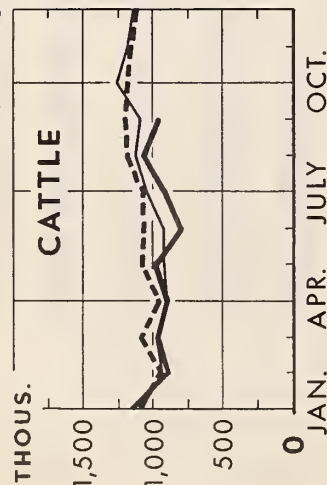
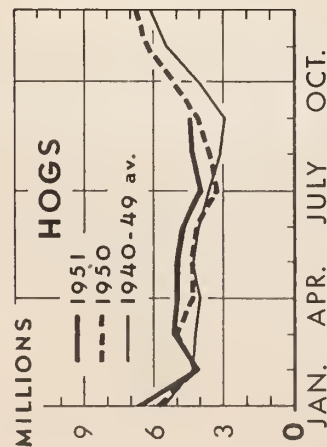
U. S. DEPARTMENT OF AGRICULTURE NEG. 46868-XX BUREAU OF AGRICULTURAL ECONOMICS

Supplies of feed concentrates are large enough to maintain in 1952 the recent high level of aggregate livestock production. However, this is true by virtue of the sizable carry-over stocks of feed grains, which will probably be reduced during the current feeding year. Production of the four feed

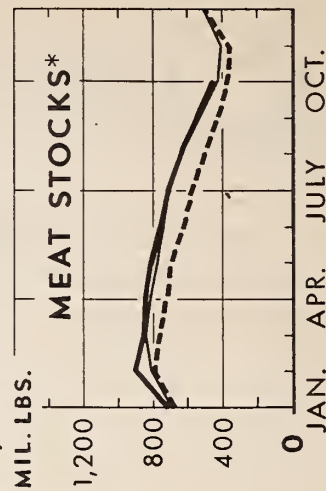
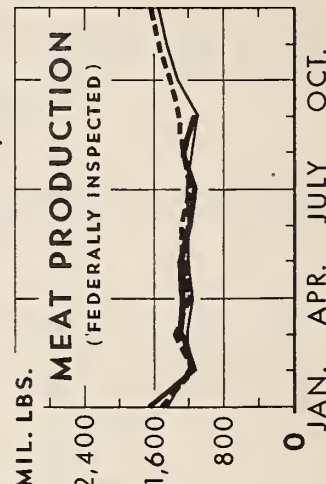
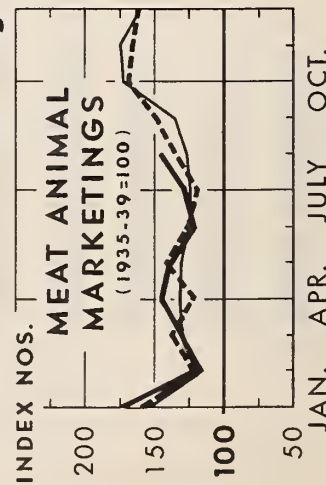
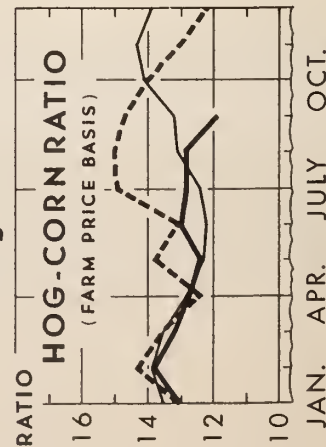
grains this year was the smallest since 1947 and only a little above the average of the last 10 years. A larger production of these crops will be needed in future years if the output of livestock products, particularly those products from grain, is to continue upward.

LIVESTOCK AND MEAT SITUATION

Federally Inspected Slaughter



Hog-Corn Ratio, Meat Animal Marketings, Meat Production, & Stocks, United States



* BEEF, LAMB AND MUTTON, PORK, AND MISCELLANEOUS MEATS IN MEAT PACKING PLANTS AND COMMERCIAL COLD STORAGE HOUSES, BEGINNING OF MONTH

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THE LIVESTOCK AND MEAT SITUATION
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Approved by the Outlook and Situation Board, October 16, 1951

SUMMARY

An increase in meat production will be realized in 1952 from the expansion now taking place in numbers of meat animals on farms. The increase may be large enough to provide a level of meat consumption per person equal to at least the 1948-50 average of 144 pounds. Consumption in 1951 is now indicated at 141 pounds.

Most of the increase in output of meat next year will be in beef and veal. A larger slaughter of cattle and calves than this year seems certain. Cattle slaughter for 1951 is at a 10-year low and calf slaughter may be an 18-year low. At the same time, numbers of cattle and calves on farms are being increased, perhaps by about 6 or 7 million head, and a new high of around 90 to 91 million head is expected at the end of the year. Trends during previous upswings in numbers and the present favorable prices and generally adequate feed supplies would point to a moderate increase in slaughter next year, and to a continuing but slower expansion of numbers on farms. Based on past experience, a reasonable expectation would be an increase in combined beef and veal output of around 10 percent.

Increases this large in output of beef would lessen upward pressure on prices of beef and cattle and might bring some reductions at times of largest marketings. But no substantial decrease in prices of cattle for 1952 as a whole from the 1951 average seems likely to result from the slaughter in prospect.

If past trends are repeated, the biggest increases in cattle slaughter will come after 1952. If percentage increases follow past cycles, numbers of cattle and calves may pass 100 million by 1955. With an inventory of this size, annual consumption of beef per person would be more than 70 pounds, the largest since 1909 and a little above the postwar high of 69 pounds in 1947. Prices of beef cattle, now in a very favorable relationship to prices of most other farm products, would likely be at a more nearly average relationship.

Numbers of cattle on feed this winter may equal or exceed the record high of last winter. Prices being paid for feeders this fall are a record for the season and returns from feeding will be no more than average if slaughter cattle prices remain at about present levels. Returns will be small if slaughter prices should decline.

Pork production in the first 7 or 8 months of 1952 will probably be a little larger than this year, reflecting increases in 1951 pig crops. Production in later months of next year may be a little smaller than a year earlier, as the current feed situation may result in a small decrease in the 1952 spring pig crop. A downtrend in hog production, should it start in 1952, would be the first after five successive years of expansion. It would result principally from the smaller feed supply relative to the livestock and poultry to be fed. Feed grain production in 1951, although larger than in most years before 1948,

was a little smaller than in 1950 and less than probable disappearance in the 1951-52 feeding year. A reduction of reserves is likely. Prices of feed grains are higher than last year, and the hog-corn price ratio is now about average after staying above average in most months of the last 3 years.

The price outlook for hogs does not point to any substantial change from 1951. Larger supplies of other meats would likely restrict any tendency toward much higher hog prices. Price controls also would tend to limit prices of pork and indirectly prices of hogs at the season of shortest supplies.

Slaughter of sheep and lambs, like that of cattle, has been very small in 1951 as numbers on farms are being built up. A somewhat larger slaughter as well as a further increase in inventory numbers is in prospect for 1952. Prices of both lambs and wool will likely remain relatively favorable.

Production of meat animals is likely to continue generally profitable in 1952. Gross receipts from sales may be a little larger than this year, depending chiefly on volume of marketings. However, higher prices will be paid for feed and other items of expense.

THE OUTLOOK FOR MEAT IN 1952

Moderate Increase in Meat Production Likely in 1952; Mostly in Beef

Production of meat is likely to be moderately larger in 1952 than this year. The increase would continue a gradual expansion that began in 1949 but the percentage gain next year may be greater than in any of the previous three years.

Most of the increase next year will be in beef and veal. Production of lamb and mutton may rise somewhat from 1951 but will still be small. Pork output may no more than maintain its present high level.

Meat production may be large enough in 1952 for consumption per person to equal or surpass by a pound or two the 1948-50 average of 144 pounds. This would be an increase from the 141 pounds now indicated for 1951 but would be considerably short of the 155 pounds consumed in 1947.

Production of beef seems certain to rise in 1952. The main question is as to the extent of the increase. The most probable prospect is a gain of around 10 percent. This would raise consumption per person from the 58 pounds now indicated for 1951 to approximately 62 pounds. Larger cattle slaughter and beef production in 1952 will result from larger marketings made possible by the greater numbers of cattle on farms and a reduced rate of expansion in numbers.

Beef production in the first quarter of 1952 may not be much larger than a year earlier, but sizable gains are likely in the last 3 quarters.

Table 1.- Meat production by kind and civilian consumption per person,
United States, 1937-41 average and by years 1942-51,
and forecast for 1952.

Year	Meat production 1/					Civilian consumption	
	Beef	Veal	Lamb and mutton	Pork excl. lard	Total	Total	per capita
	Mil.lb.	Mil.lb.	Mil.lb.	Mil.lb.	Mil.lb.	Mil.lb.	Pounds
1937-41 av.:	7,195	1,022	884	8,573	17,674	17,599	133.8
1942	8,843	1,151	1,042	10,876	21,912	18,451	139.5
1943	8,571	1,167	1,104	13,640	24,482	18,921	146.0
1944	9,112	1,738	1,024	13,304	25,178	19,827	153.5
1945	10,275	1,661	1,054	10,697	23,687	18,737	144.4
1946	9,373	1,440	970	11,173	22,956	21,367	153.4
1947	10,428	1,599	802	10,601	23,430	22,236	155.0
1948	9,079	1,412	750	10,205	21,446	21,256	145.4
1949	9,448	1,322	607	10,333	21,710	21,378	143.9
1950	9,543	1,216	599	10,751	22,109	21,710	143.7
1951 2/	9,000	1,050	515	11,800	22,365	---	141
1952 3/	10,000	1,250	600	11,700	23,550	---	144-146

1/ Carcass weight equivalent of meat produced from total United States slaughter.

2/ Partly forecast.

3/ Forecast

Much of the increase in the beef supply will be in the medium and lower grades, but some of it will probably be in the better grades that come from grain fed cattle.

Production of veal will be larger in 1952 as slaughter of calves rises along with slaughter of cattle. Veal consumption per person, which is expected to be at a 19-year low of 6.7 pounds in 1951, may be a pound larger next year.

Lamb and mutton production in 1952 is expected to rise somewhat from its very low level of 1951. Consumption per person may exceed by a fraction of a pound the 3.3 pounds consumed in 1951, the lowest on record and less than half of the consumption rate 6 years ago.

Prices May Average About Same as 1951;

Controls a Factor in Price Outlook

The moderate increase likely in meat supplies will relieve some of the upward pressure against price ceilings, particularly ceilings for beef, but does not point to any pronounced changes in prices in 1952.

This generalized outlook assumes that the price control program will continue in about its present form until at least June 30, 1952, when present authority ends. It also assumes nearly stable demand, with only slowly rising incomes and a nearly stable general price level.

Price controls have been in force on all meats since January 28, 1951. Price ceilings on beef at wholesale and retail are specified by cut and grade for various classes of dealers and stores and for various regions. Price ceilings on pork at wholesale also are specified in detail, but each dealer's retail ceiling is determined by applying his base period markup to his purchase prices. However, a schedule of retail pork ceilings similar to those on beef is due to be issued, according to an announcement by OPS.

Ceiling prices on veal and on lamb and mutton are set under the General Ceiling Price Regulation. With a few exceptions, they are each dealer's highest prices charged between December 19, 1950 and January 25, 1951. Specified ceiling price schedules for these meats also have been promised by OPS.

Canned and processed meats generally come under separate ceiling price regulations.

Prices of beef, veal, and lamb and mutton have been largely determined by their ceilings, as supplies have not been big enough to fill all the demand at ceiling prices. Prices of pork have not pressed so hard against their ceilings. During the spring of this year they were often a little below ceilings. During the summer, which is normally the season of smallest meat supplies and highest prices, pork prices were at or very near their ceilings. Pork prices are expected to drop below ceilings this fall as supplies of pork increase seasonally.

During most of the first six months of 1952, when price controls are authorized, demand for the supplies of beef and veal in prospect is expected to hold prices at or close to the present ceiling level. Later in the year some reduction in prices might result from an increase in beef supply.

Prices of pork in 1952 will probably follow their normal seasonal movements but may again be limited by ceilings at times of short supply, which are mid- to late winter and mid-summer. There is little reason to expect pork prices in 1952 to differ greatly on the average from those in 1951.

Prices of lamb and mutton seem likely to stay at ceiling levels for the period for which price controls are authorized.

Less Meat Likely to Be Imported in 1952

Meat imports in 1951 have been the largest on record, exceeding the previous high in 1918. The total for the year may amount to around 3 pounds per person, or about 2 percent of total consumption. Most of the imports are beef. High prices for beef in this country have drawn substantial quantities of fresh beef from Canada, canned and processing beef from Mexico, and canned beef from Argentina.

Imports of beef may be smaller next year, as less may be available from each of the three countries. In the case of Argentina, the new agreement with Great Britain will divert some of the Argentine beef supply to that nation. In Canada and Mexico, domestic demand is likely to claim more of the available supply, with less exported.

Military Requirements
to be large in 1952

Requirements for meat by the United States armed forces in 1952 will again be substantial. As in 1951, however, military procurement will affect certain kinds of meat more than others. Total military takings amount to between 5 and 10 percent of United States meat production, but they include more beef than pork and most of the beef procured is of the two highest grades. Since the beef supply is expected to be larger next year, military needs for beef may be met a little more easily than in 1951.

Longer Run Outlook: More Beef
Per Person, Perhaps No More Pork

The outlook beyond 1952 to 1953-55 is for supplies of beef to increase more than those of pork. The beef supply could increase very substantially during the next few years. The supply of pork, on the other hand, will continue upward over the longer run only if corn production increases. Without a larger corn supply, the total output of pork will no more than hold its present level and on a per person basis will decline.

A fuller treatment of the longtime outlook for beef and pork will be found in later sections of this report.

THE OUTLOOK FOR FEED SUPPLIES

Feed Supplies Adequate But Not
As Abundant as in Recent Years

Supplies of feed concentrates for the year ahead are large enough to accomodate some increase in aggregate production of grain consuming livestock. However, this gain is possible only because of the sizable stocks of feed grains on hand at the beginning of the new feeding year. Production of feed grains in 1951 was not as large as the disappearance expected in the 1951-52 feeding year, and a considerable reduction in carry-over is likely.

Most of the present stocks of feed grains were accumulated from the 1948 and the 1949 crops. Since 1948, livestock production has expanded but production of feed grains has decreased somewhat. The 1951 corn crop of 3,105 million bushels indicated on October 1 is 26 million less than the 1950 crop. Production of oats, barley and grain sorghums is below 1950. The total production of 120 million tons of the four feed grains is 5 million tons or 4 percent below last year. This is still much above the prewar average production but it is not as large as actual disappearance in the past year or the disappearance expected in the coming year (table 2).

The prospective production of feed grains together with the carry-over of those grains and the prospective supplies of other feeds adds to a total supply of 176 million tons of all concentrate feeds. This is less than the supply in the past 2 years. In relation to the numbers of livestock to be fed it is about .97 tons per animal unit, which is less than the average of 1.05 tons in 1948-50 but more than the .89 tons in 1937-41.

Included in the carry-over of feed grains is about 450 million bushels of price support corn. Most of this corn is held by the Commodity Credit Corporation, although a little is on farms as resealed old crop corn. Corn owned by CCC will be available at prices determined by that agency. In October the release price for CCC corn was \$1.86 per bushel for No. 3 at Chicago. Prices are not announced for future months, although some increase for storage charges might be expected.

More Oilseed Cake and Meal in 1952

The supply of oilseed cake and meal in the 1951-52 feeding year will be larger than in the 1950-51 year. The increase will consist chiefly of cottonseed meal. The 1951 production of cottonseed is around 70 percent larger than the small 1950 production. The supplies of soybean meal and linseed meal probably will be a little smaller than in the past year, reflecting a somewhat smaller soybean crop and smaller stocks and production of flaxseed than in 1950.

Production of animal protein feeds and other byproduct feeds in the coming year will not be greatly different from the past year.

1951 Hay Crop Largest Ever

The hay crop of 1951 was the largest ever harvested. Production was especially large in the Central, Western and Northern Corn Belt. But in some other areas it was smaller than last year and not equal to needs. In a broad area extending from Pennsylvania through the Southeast to Texas and the Southwest, dry weather seriously reduced hay production.

Also, the United States hay crop is a little below average in quality this year chiefly because of rain damage or over-ripeness.

Prices of Feed Grains to be Higher

Higher prices for feed grains than in the past year are in prospect for the year ahead. This outlook is based on the smaller supply of feed, larger numbers of livestock, and the continued high prices for livestock products. Price supports are higher than in 1950. The extent of the price increase, however, will be limited by the fact that CCC corn will be available at release prices. Currently release prices are only a little higher than market prices.

More Feed Grains Needed in Future

The present feed situation may have its greatest effect on livestock production in years after 1952. By using some of the present reserves of feed grains, the present uptrend in aggregate production of livestock will not be seriously affected in 1952. But the uptrend can continue in years thereafter only if annual production of feed grains increases. Since feed grain acreage cannot expand greatly, a larger sustained production can come about only through higher yields achieved from continued improvements in cropping practices.

Table 2.- Feed concentrate balance, numbers of animal units, and feed per unit, United States, year beginning October, average
1937-41, annual 1945-51
(Data for the cover page chart)

Item	Average 1937-41	1945	1946	1947	1948	1949	1950	1951 1/
	Mil. tons	Mil. tons	Mil. tons	Mil. tons	Mil. tons	Mil. tons	Mil. tons	Mil. tons
Supply								
Stocks beginning of year 2/	16.9	14.9	10.9	13.9	7.9	30.8	31.2	29.0
Production of feed grains:								
Corn.....	72.1	80.7	91.0	66.8	103.1	94.6	87.7	86.9
Oats.....	18.1	24.6	24.0	19.2	23.9	21.3	23.4	22.0
Barley	6.9	6.4	6.3	6.7	7.6	5.7	7.2	6.1
Sorghum grains	2.2	2.7	3.0	2.7	3.7	4.3	6.7	4.6
Total.....	99.3	114.4	124.3	95.4	138.3	125.9	125.0	119.6
Other grains fed 3/	4.5	8.2	4.3	6.1	4.3	5.3	5.4	6.0
Byproduct feeds fed	15.4	17.7	19.4	19.0	20.0	20.6	21.5	21.5
Total supply	136.1	155.2	158.9	134.4	170.5	182.6	183.1	176.1
Utilization, October-September:								
Concentrates fed								
Corn	62.2	77.3	75.6	64.3	73.3	83.1	80.0	83.4
Oats	16.1	23.9	19.6	17.8	20.7	19.6	20.5	21.0
Barley and sorghum grains...	6.9	6.4	5.1	5.1	5.8	5.4	7.5	6.5
Wheat and rye	4.4	8.0	4.2	6.0	3.7	4.6	4.6	5.1
Oilseed cake and meal.....	3.9	5.8	5.8	6.2	7.3	7.8	8.6	8.9
Animal protein feeds	2.9	2.4	2.3	2.4	2.4	2.5	2.5	2.5
Other byproduct feeds	8.6	9.5	11.3	10.4	10.3	10.3	10.4	10.1
Total concentrates fed 4/	105.0	133.3	123.9	112.2	123.5	133.3	134.1	137.5
Feed grains for seed, human food, industry, and export	12.1	13.3	19.3	13.6	17.7	17.2	20.5	19.0
Total utilization	117.1	146.6	143.2	125.8	141.2	150.5	154.6	156.5
Utilization adjusted to crop year basis	116.2	144.3	145.0	126.5	139.7	151.4	154.1	156.1
Stocks at end of crop year ...	19.9	10.9	13.9	7.9	30.8	31.2	29.0	20.0
Number of grain-consuming animal units fed annually (Millions)	153.1	167.8	161.4	155.9	162.9	170.1	176.8	181.0
Supply per animal unit (Ton)	.89	.92	.98	.86	1.05	1.07	1.04	.97
Concentrates fed per animal unit (Ton) .....	.69	.79	.77	.72	.76	.78	.76	.76
Units of livestock production	153.0	174.8	169.6	165.0	171.2	177.0	184.4	189
Concentrates fed per produc- tion unit (Ton) .....	.69	.76	.73	.68	.72	.75	.73	.73

1/ Preliminary estimates, based on indications in October 1951. 2/ Stocks of corn in all positions on October 1, oats and barley July 1, and from 1947 to date sorghum grains on October 1. 3/ Domestic wheat and rye and imported grains. 4/ Total quantities fed in the U. S. including domestically produced and imported grains and byproduct feeds. 5/ Calculated from estimated animal units and feeding rates as shown at lower section of table.

THE OUTLOOK FOR BEEF CATTLE IN 1952

Cattle Slaughter to be Larger in 1952

An increase in the number of cattle and calves slaughtered is virtually certain in 1952. This prospect is based primarily on the sharp increase taking place in numbers on farms which includes more young stock approaching slaughter age. A reasonable expectation is that the increase will be around 10 percent for cattle and 15 percent for calves. Even with such increases in slaughter, cattle numbers on farms will continue upward in 1952, though at a slower rate than in 1951.

Slaughter of cattle and calves in 1951 is the smallest in relation to January inventories of any year since 1933 and the indicated increase in inventories is the largest ever recorded both in numbers and percentage-wise. Cattle and calf slaughter for the year will probably total about 26.5 million head. This is 2.0 million less than in 1950 and the smallest since 1941, yet numbers on farms last January were within 1.4 million of the all time record. Since the calf crop is probably nearly equal to the 1944 high, cattle numbers on farms are being stepped up 6 or 7 million head from the 84.2 million at the beginning of the year to an estimated 90 to 91 million expected at the end.

With this great expansion in numbers on farms a very sharp rise in slaughter would be possible in 1952. However, a more moderate increase in slaughter and further addition to herds would be indicated by present conditions and by past experience. Prices of beef cattle continue high in relation to prices of other meat animals and other farm products, encouraging further expansion of cattle herds. For the United States as a whole, supplies of forage feed would probably support some further increase in numbers. Much progress has been made toward better hay and pastures in the Corn Belt, more productive irrigated pastures in the West and much more productive pastures in the South.

Moreover, a moderately larger cattle slaughter in 1952 and another increase in numbers on farms would be consistent with previous upswings of the cattle cycle. Numbers of cattle and calves on farms have gone through five broad cycles since 1880 and a sixth upswing is now in progress. Usually the third or fourth year of herd expansion is marked by an unusually small slaughter and a large increase in numbers on farms. Except for special factors such as price controls, which this year probably accentuated the reduction in slaughter, the experience in 1951 conformed closely to the matching year in previous cycles.

Cattle Prices May Be Nearly
as High as in 1951

If cattle slaughter increases about as much as now expected and demand for meat is held up by high incomes of consumers, prices of cattle in 1952 may be nearly as high as in 1951. Prices in 1951 have been restricted somewhat by price controls. The present ceilings, authority for which extends to June 30, 1952, would probably continue to have some influence on prices in at least the early months of 1952. But in the latter part of the year when cattle marketings rise seasonally, some price reductions might take place.

Long-run Outlook is for Greater Slaughter

Since the increase in cattle and calf numbers this year is equal to about one-fourth of the number being slaughtered (7 million compared with 26 to 26-1/2 million), the stage is being set for greatly expanded slaughter in future years. The most vital questions in the cattle outlook are: How high will cattle numbers go? How large will slaughter be? What will happen to prices?

Even though no extremely sharp rise in cattle and calf slaughter seems likely in 1952, a very material increase is due eventually. There is little analytical basis on which to project cattle slaughter other than the historical data of numbers slaughtered each year and those on farms January 1 each year of previous cattle cycles. If the trends in past cycles are assumed to be approximately repeated, some indication may be arrived at of possible developments in the next few years. Projections of this nature are necessarily somewhat arbitrary, but will give an idea of the level of cattle production and slaughter and of beef supply that in a normal cattle cycle would follow the rapid building of herd numbers the last two or three years.

Projections for 4 future years are given in the lower section of table 3. They show that if slaughter increases each year and January 1 numbers continue upward at a slowing rate until they level off at the middle of the 1950's, the annual slaughter of cattle and calves at that time might exceed 40 million head and January numbers might pass 100 million.

A slaughter of 40 million head of cattle and calves in 1955 would be one-half larger than that of 1951. However, supplies of beef would not increase so much for two reasons. The first is that slaughter of calves in relation to the number of cattle slaughtered will be much higher than in 1951. In 1944, for example, when cattle numbers on farms were about stationary, calves slaughtered were 42 percent of the combined slaughter of cattle and calves. In 1947, they were 38 percent. But in 1951 calves are only about 34 percent of the total. In years ahead, the percentage will climb again.

The second reason is that the average weight of cattle slaughtered will be lighter than in the last 2 or 3 years. In 1940-45 the average production of beef per head slaughtered was 479 pounds. In 1951 it is about 517 pounds. The heavier weight results from the higher percentage of steers and lower percentage of cows and heifers in total cattle slaughter and from extensive grain feeding which increases market weights of all classes of cattle. This past uptrend in weights also will change direction within the next year or so.

In the projections of table 2, by 1955 calf slaughter as a percentage of the combined total is assumed to rise to 40 percent, and the average dressed weight per head of cattle slaughtered is assumed to fall to 480 pounds.

The supply of beef and veal based on these projections, and on assumed net imports of meat at recent levels, would provide for a consumption per person of 71 pounds of beef and 12 pounds of veal in 1955. This would be the largest consumption of beef since 1909 and two pounds per person above the recent high point in consumption in 1947.

Any severe economic or physical disturbances, such as a sudden drop in demand for beef or a drought in range or pasture regions, would interrupt the sequence that has been projected. Slaughter would be much larger than shown in one year, and thereafter would be smaller than the figures presented.

Relation of Cattle to Other Prices May
Become More Nearly Average in Future

Increases in cattle slaughter and beef supply in years ahead will bring a substantial adjustment in the relationship of prices of cattle to other farm products. That relationship has been considerably above average, and may return to a more nearly average level.

Table 3.- Number of cattle and calves on farms, raised and slaughtered, and quantity of beef and veal produced and consumed, 1940-51 and projections to 1955

Year	Change in numbers during year										Meat produced				Meat consumed	
	Number on farms Jan. 1	Supply	Disappearance				Net change	Beef		Veal		Total	Beef	Veal		
			Calf crop	Im-ports	Slaughtered	Other		disap-	pear-	ance	head				slaugh-	head	slaugh-
	Thous.	Thous.	Thous.	Thous.	Thous.	Thous.	Thous.	Pounds	Pounds	Thous.	Pounds	Thous.	Pounds	Pounds		
1940	68,309	29,886	14,958	9,089	3,037	+3,446	480	7,175	108	981	54.7	7.4				
1941	71,755	31,868	16,419	9,252	2,676	+4,270	492	8,082	112	1,036	60.5	7.6				
1942	76,025	34,388	18,033	9,718	2,127	+5,179	490	8,843	118	1,151	60.8	8.2				
1943	81,204	34,797	17,845	9,940	3,535	+4,130	480	8,571	117	1,167	52.9	8.2				
1944	85,334	37,040	19,844	14,242	3,073	+239	459	9,112	122	1,738	55.3	12.4				
1945	85,573	35,176	21,691	13,645	3,491	-3,139	474	10,275	122	1,661	59.0	11.8				
1946	82,434	34,550	19,824	12,168	4,343	-1,227	473	9,373	118	1,440	61.3	9.9				
1947	81,207	35,234	22,393	13,695	2,312	-3,081	466	10,428	117	1,599	69.1	10.7				
1948	78,126	33,708	19,186	12,328	2,484	+172	473	9,079	115	1,412	62.6	9.4				
1949	78,298	34,464	18,789	11,345	3,010	+1,754	503	9,448	117	1,322	63.5	8.7				
1950	80,052	35,120	18,642	10,435	2,377	+4,127	512	9,543	117	1,216	63.0	7.9				
1951 1/2	84,179		17,400	8,900			517	9,000	118	1,050	58.0	6.7				
Projections based on trends in past cattle cycles																
1952	91,000		19,500	10,600			514		119		62	7.8				
1953	96,000		21,800	12,200			500		119		67	9.0				
1954	100,000		22,800	14,000			490		120		68	10.4				
1955 2/3	103,000		24,700	16,500			480		120		71	12.1				

/ Preliminary and partly forecasted.

/ Slaughter in 1955 based on a nearly stationary level of cattle numbers.

Table 4.- Prices of beef steers and slaughter lambs at Chicago and price received by farmers for hogs, and ratios of relationship between them, 1922-51

Year	Price per 100 pounds			Ratio of beef steer price to price of	
	Choice	Choice	Received		
	slaughter steers, Chicago 1/	and Prime slaughter lambs, Chicago 2/	by farmers for hogs	Lambs	Hogs
	Dollars	Dollars	Dollars		
1922	9.23	13.23	8.40	69.8	109.9
1923	10.15	13.24	6.94	76.7	146.3
1924	10.00	13.98	7.34	71.5	136.2
1925	11.02	15.16	10.91	72.7	101.0
1926	9.87	13.76	11.79	71.7	83.7
1927	11.90	13.91	9.64	85.5	123.4
1928	14.40	14.94	8.54	96.4	168.6
1929	13.89	14.64	9.42	94.9	147.5
1930	11.45	9.91	8.84	115.5	129.5
1931	8.63	7.77	5.73	111.1	150.6
1922-31 Average:	11.05	13.05	8.76	84.7	126.1
1932	7.23	6.11	3.34	118.3	216.5
1933	5.56	6.63	3.53	83.9	157.5
1934	6.94	7.89	4.14	88.0	167.6
1935	10.79	8.85	8.65	121.9	124.7
1936	8.82	9.86	9.37	89.5	94.1
1937	11.79	10.59	9.50	111.3	124.1
1938	9.14	8.39	7.74	108.9	118.1
1939	9.81	9.26	6.23	105.9	157.5
1940	10.48	9.65	5.39	108.6	194.4
1941	11.36	11.19	9.09	101.5	125.0
1932-41 Average:	9.19	8.84	6.70	104.0	137.2
1942	13.90	13.81	13.00	100.7	106.9
1943	15.34	14.95	13.70	102.6	112.0
1944	15.73	15.22	13.10	103.4	120.1
1945	16.00	15.48	14.00	103.4	114.3
1946	19.32	18.65	17.50	103.6	110.4
1947	26.22	23.59	24.10	111.1	108.8
1948	30.96	25.96	23.10	119.3	134.0
1949	26.07	25.45	18.10	102.4	144.0
1950	29.68	27.30	18.00	108.7	164.9
1951 3/	36.06	35.43	20.78	101.8	173.5
1942-51 Average:	22.93	21.58	17.54	106.3	130.7

1/ Corn Belt beef steers sold out of first hands at Chicago. Called good grade until 1951.

2/ Formerly called Good and Choice.

3/ Average for 9 months.

In the first 9 months of 1951 the Chicago price of Choice steers was 174 percent of the average price received by farmers for hogs. In three past periods the relationship averaged 126 to 137 percent (table 4). Prices of steers are not so high relative to prices of lambs, which also are above a normal ratio to prices of most farm products. As measured by parity standards, farmers received prices for beef cattle averaging 148 percent of parity in the first 9 months of 1951. By comparison, prices for lambs averaged 147 percent of parity, prices for hogs averaged 98 percent, and prices for all farm products averaged 108 percent of parity.

A return to more nearly average price relationships in future years does not necessarily mean that price declines will be disastrous. How severe they will be will depend largely on demand. If productivity, employment and incomes in the United States should continue upward, prices for beef cattle would fall off only moderately. On the other hand, economic depression and a falling general price level would have very serious consequences to the cattle industry.

Returns from Cattle Feeding to be Smaller This Year

Cattle feeders have been paying higher prices for feeder cattle this fall than in any previous fall on record. The average of \$31.90 per 100 pounds paid for stockers and feeders at Kansas City this September was \$5.00 above a year earlier. Moreover, the price paid this September was only \$4.78 lower than the price for Choice slaughter steers at Chicago the same month, which is closer than an average relationship.

At these purchase prices, returns from feeding will be no more than average, and considerably less than in the past two years, if prices of fed steers for slaughter are about the same at the marketing season next year as they are now.

That prices of slaughter cattle will not change greatly by next spring is a reasonable expectation. However, if slaughter cattle prices should be reduced by a greater increase in marketings than now foreseen or by a weakening of demand, returns from feeding could prove very small.

The difference between major cost items in feeding cattle in the Corn Belt and the value of fed steers amounted to about \$82 per head in the 1950-51 feeding year and \$76 per head in 1949-50 (table 5). These are the largest value margins in feeding ever realized. Coming in years when the price of cattle advanced during the feeding period, they contrast sharply with the zero value for 1948-49, when high prices were paid for feeder stock but slaughter prices declined. These calculations are representative of Corn Belt conditions but do not necessarily coincide with the experience of individual feeders.

Feeders who bought cattle this past winter for sale this summer or fall had much smaller returns than did those who bought last fall and sold during the spring and summer. Feeder cattle prices moved up to record highs in March and April of this year. Average prices of both feeder and slaughter stock were lower in mid-October.

Table 5.- Specified average prices and costs in the feeding of steers in the Corn Belt, 1942-51

Item	Season									
	1942-43	1943-44	1944-45	1945-46	1946-47	1947-48	1948-49	1949-50	1950-51	
Average price per 100. pounds for Choice grade beef steers sold out of first hands, Chicago, April-July	15.52	15.91	16.15	17.46	25.26	32.59	25.40	29.36	36.15	
Subsidy, per 100 pounds .....			.29	.38						
Average cost of feeder steers at Kansas City per 100 pounds, August-December	12.08	11.52	11.56	12.91	16.37	21.75	25.00	20.65	27.73	
Average price per bushel of corn, North Central States, September-July .....	.862	1.039	1.009	1.175	1.490	2.201	1.239	1.175	1.511	
Average price per ton received by farmers for alfalfa hay, North Central States September-July 1/	11.31	16.34	17.39	15.54	22.37	24.37	23.96	21.39	21.34	
Average wholesale price per ton for soybean meal, 41 percent protein, Chicago, September-July	41.21	51.90	52.00	58.32	76.78	94.19	74.06	75.85	75.34	
	Total value									
Market value at Chicago for Choice grade beef steers, market weight 1,050 pounds	162.96	167.06	169.58	183.33	265.23	342.20	266.70	308.28	379.58	
Subsidy credit			3.04	3.99						
Market value plus subsidy	162.96	167.06	172.62	187.32	265.23	342.20	266.70	308.28	379.58	
Market cost at Kansas City of 700 pounds feeder steers	84.56	80.64	80.92	90.37	114.59	152.25	175.00	144.55	194.11	
Cost of transportation from market to feeder	2.55	2.55	2.55	2.55	2.55	2.73	3.61	3.96	3.96	
Cost of 45 bushels of corn	38.79	46.76	45.40	52.88	67.05	99.04	55.76	52.88	68.00	
Cost of 0.75 tons of Alfalfa hay	8.48	12.26	13.04	11.66	16.78	18.28	17.97	16.04	16.00	
Cost of 150 pounds of soybean meal	3.09	3.89	3.90	4.37	5.76	7.06	5.55	5.69	5.65	
Transportation and marketing expense	5.93	6.01	6.00	6.07	6.27	7.57	8.65	8.97	9.18	
Total of cost items shown 2/	143.40	152.11	151.81	167.90	213.00	286.93	266.54	232.09	296.90	
Margin of market value of steers over total of cost items shown 2/	19.56	14.95	20.81	19.42	52.23	55.27	0.16	76.19	82.68	

1/ Price for loosehay through 1945-46; for baled hay 1946-47 to date. Prices for 1946-47 and 1947-48 estimated from price paid for baled alfalfa hay, United States. 2/ Does not include overhead costs, cost of pasture or other feed ingredients and death loss, or credits for manure and for hogs following steers. In some estimates, the net additional cost is assumed to be 10 percent of the feed cost. The feed ration and prices shown are designed to be fairly representative of average feeding experience in the Corn Belt, but do not necessarily coincide with the experience of individual feeders. Data for earlier years may be found in October issue each year.

Number Fed May be Largest Ever

It is possible that at least as many and perhaps more cattle than ever before will be fed this winter. Evidence is the very large numbers of cattle on pasture and range this summer and the smaller cattle slaughter this fall than last, which suggests that more may have gone into feedlots. Also data on shipments of cattle into the Corn Belt since mid-summer have shown a movement above last year. The movement during September was the second highest on record. Moreover, reports for 3 states (Illinois, Iowa and Nebraska) showed a 2 percent increase in the number on feed there on October 1, this year over last.

THE OUTLOOK FOR HOGS IN 1952

Prospects are that the number of hogs slaughtered in all of 1952 will about equal the large slaughter this year. Slaughter in the first 7 to 8 months will probably be a little above a year earlier, as a result of the increase in this year's pig crops. The prospective 1951 pig crop of about 106 million head is the largest for a peacetime year and second only to the 1943 crop of 121.8 million head. The spring crop was up 7 percent from the 1950 spring crop and a 3 percent increase in the fall crop was indicated by farmers' intentions June 1. Slaughter late in 1952 will depend largely on next year's spring pig crop; it may be a little smaller than this year if the outlook for a small reduction in the spring crop proves correct. (table 6).

At most the 1952 spring pig crop will be little larger than this year's spring crop, and the most likely estimate is for a small reduction. Already in 1951 there have been signs of hog production leveling off.

A somewhat intensified competition for feed and labor will affect hog production in 1952. An expanding production of grain-consuming livestock and poultry has reduced the carry-over of corn, and as prices of corn have increased the hog-corn price ratio has declined from its favorable level the past 3 years to near its long-time average of 12.0.

Table 6.- Pig crops and hog slaughter, average 1937-41, by years 1947-52

Year	Pig crop			Hog slaughter 1/ 1,000 head
	Spring	Fall	Total	
	1,000 head	1,000 head	1,000 head	
Average :				
1937-41 :	46,801	30,428	77,229	65,642
1947 :	52,802	31,345	84,147	74,710
1948 :	51,266	33,921	85,187	71,936
1949 :	58,426	37,175	95,601	75,293
1950 :	59,801	40,657	100,458	79,488
1951 :	63,818	2/42,000	2/105,818	3/86,300
1952 :	---	---	---	4/86,000

1/ Total, including farm slaughter, for the calendar year.

2/ Based on farmers' intentions for fall farrowing as reported June 1, and on an average size of litter for the fall crop with allowance for trend. Number rounded to nearest 500,000 head.

3/ Partly forecast.

4/ Forecast.

Hog prices have shown less variation during 1951 than in any year since 1946 when OPA price controls were ended. One reason is that price ceilings on pork held down the price of live hogs to some degree during the mid-summer season when prices are usually highest. The price of barrows and gilts at Chicago early in August at \$23.00 per hundred pounds was only \$2.00 above the springtime low in April. And this comparatively small increase was made possible only by a narrowing of marketing margins as wholesale and retail prices of pork were steady. When supplies of hogs increased in August, their price declined as margins widened. Prices of hogs stabilized in late September, and in early October were a little above a year earlier. Prices are expected to decline to a seasonal low in early December, and to average not greatly different from last fall.

So long as price ceilings on pork remain in force in about their present form, they may continue to restrict prices of hogs only at times of smallest marketings. At other seasons about the usual changes in hog prices may occur, and the overall average price for 1952 may be fairly close to the average for 1951. The hog-corn price ratio may therefore stay at near its long-time average level. This ratio would provide average returns for efficient hog production, but would be less remunerative than the higher price relationships of the last three years.

Hog production in late 1952 and in future years will be governed by the annual production of corn and other feed. Since feed grain carry-overs are being reduced, hog production can expand only if feed grain crops are larger than in 1950 and 1951. At high employment and incomes, demand for meat would probably support a gradual further expansion in hog production --perhaps enough to maintain pork consumption per person at about its present rate.

THE OUTLOOK FOR SHEEP AND LAMBS IN 1952

Numbers of sheep and lambs on farms increased in 1950 for the first time since 1941, and a substantial gain is being made in 1951 as the lamb crop is up slightly and slaughter down to its lowest point in this century. A further increase in numbers on farms is likely during 1952, but the number slaughtered will probably be larger than this year (table 7).

The Texas lamb crop this year was reduced by unfavorable weather, but the crop for the rest of the country was 5 percent larger than last year.

Prices of lambs this fall, even though limited somewhat by price ceilings on lamb at wholesale and retail, have been about \$4.00 per 100 pounds higher than last fall. It is doubtful that slaughter of sheep and lambs will increase enough in 1952 to cause any great change in prices.

Prices of wool have declined during recent months after rising to an all-time high in March of this year. World consumption of wool in the first half of 1951 was 10 to 15 percent below that of a year earlier. In 1952, prices to domestic producers of shorn wool may be somewhat higher than this fall, but may not equal the 1951 average.

Prices of lambs and of wool, like prices of beef cattle, are above an average relationship to prices of other farm products. The long-run prospects for retaining a favorable relationship for prices of lambs and possibly for prices of wool are rather promising. The capacity for sheep and lamb production in this country, in view of competition from cattle and other enterprises, will probably never provide as much lamb and mutton per person as formerly was available, and will supply only a fraction of the nation's wool requirement.

THE OUTLOOK FOR HORSES AND MULES

Horses and mules continue to disappear from United States farms. On January 1, 1951 only 6-3/4 million head were reported on farms, less than half as many as 10 years earlier and only a small fraction of numbers 35 years ago. That numbers on farms are being decreased again in 1951 is indicated by the number slaughtered under Federal inspection (chiefly for animal foods). In the first 9 months of this year 240,000 head were slaughtered, compared with 190,000 in the same period of 1950. Horses and mules on farms next January may be down close to 6 million.

Table 7.- Sheep and lambs on farms and ranches January 1, lamb crop, number slaughtered during year and annual wool production, average 1937-41, by years 1947-51

Year	Number January 1				Slaughter		Shorn wool pro- duction
	On feed				Sheep as percent-		
	Eleven:				Lamb	age of Fed. insp.	
	Stock: Corn	All	Total	crop	Total	slaughter of	
	sheep: Belt	states:				sheep and lambs	
	States:						
	1,000	1,000	1,000	1,000	1,000	1,000	
	head	head	head	head	head	head	Percent
							Mil. lb.
1937-41 av.	:45,879	3,223	5,979	51,857	30,639	21,874	6.7
1947	:32,125	3,693	5,693	37,818	22,082	18,766	13.8
1948	:29,976	2,843	4,851	34,827	20,011	17,439	16.3
1949	:27,651	2,468	4,003	31,654	18,810	13,872	10.3
1950	:27,099	2,272	3,644	30,743	18,522	13,294	9.9
1951 <u>1</u> /	:28,065	2,186	3,440	31,505	18,761	11,270	10

1/ Preliminary estimates. Slaughter partly forecast.

Selected Price Statistics for Meat Animals 1/

Item	Unit	Jan.-Sept.		1950		1951	
		1950	1951	Sept.	Aug.	Sept.	
Cattle and calves							
Beef steers, slaughter 2/	Dollars per:						
Chicago, Prime	100 pounds	32.48	38.70	32.00	37.92	38.77	
Choice	do.	28.93	36.06	30.32	35.85	36.68	
Good	do.	(26.41)	33.41	(28.07)	33.10	33.73	
Commercial	do.	(26.41)	30.93	(28.07)	30.08	30.82	
Utility	do.	23.11	28.31	24.08	27.23	27.68	
All grades	do.	28.32	35.67	30.57	36.39	36.99	
Omaha, all grades	do.	27.04	34.29	29.67	34.65	35.59	
Sioux City, all grades	do.	27.24	34.39	29.83	35.01	35.39	
Cows, Chicago 2/							
Commercial	do.	21.24	28.03	22.98	28.65	28.97	
Utility	do.	18.60	24.88	20.26	24.37	24.63	
Canner and Cutter	do.	16.09	21.39	17.42	21.07	20.98	
Vealers, Good and Choice, Chicago	do.	30.60	37.47	32.95	36.68	36.25	
Stock and feeder steers, Kansas City	do.	26.01	33.36	26.90	32.59	31.90	
Price received by farmers							
Beef cattle	do.	22.59	29.17	24.60	29.10	29.50	
Veal calves	do.	25.49	32.89	27.80	32.60	32.80	
Hogs							
Barrows and gilts							
Chicago							
160-180 pounds	do.	18.95	21.24	20.26	21.50	20.02	
180-200 pounds	do.	19.58	22.01	21.45	22.38	20.69	
200-220 pounds	do.	19.74	22.16	21.98	22.72	20.94	
220-240 pounds	do.	19.65	22.07	22.30	22.70	20.99	
240-270 pounds	do.	19.32	21.80	22.32	22.33	20.97	
270-300 pounds	do.	18.82	21.29	22.09	21.67	20.52	
All weights	do.	19.22	21.74	21.81	22.23	20.84	
Seven markets 3/	do.	19.21	21.43	21.84	22.04	20.59	
Sows, Chicago	do.	16.48	18.85	20.12	19.14	17.86	
Price received by farmers	do.	18.20	20.78	21.30	21.20	19.70	
Hog-corn price ratio 4/							
Chicago, barrows and gilts	do.	13.3	12.3	14.2	12.4	11.6	
Price received by farmers, all hogs	do.	13.9	12.8	14.8	12.8	11.9	
Sheep and lambs							
Sheep							
Slaughter ewes, Good and Choice, Chicago	do.	11.80	18.61	13.01	14.63	14.71	
Price received by farmers	do.	10.77	16.53	11.80	15.00	14.90	
Lambs							
Slaughter, Choice and Prime, Chicago	do.	26.53	35.43	27.72	31.59	31.44	
Feeding, Good and Choice, Omaha	do.	5/26.25	6/32.53	28.50	31.34	32.64	
Price received by farmers	do.	24.19	31.86	25.70	29.80	29.80	
All meat animals							
Index number price received by farmers							
(1910-14=100)		334	417	372	416	411	
Meat							
Wholesale, Chicago	Dollars per:						
Steer beef carcass, Choice, 500-600 pounds 2/	100 pounds	45.92	56.22	48.39	56.50	56.90	
Lamb carcass, Choice, 30-40 pounds	do.	51.33	56.77	52.56	58.00	58.00	
Composite hog products, including lard							
72.84 pounds fresh	Dollars	20.57	23.62	23.20	24.38	22.74	
Average per 100 pounds	do.	28.24	32.43	31.85	33.47	31.22	
71.32 pounds fresh and cured	do.	23.76	26.46	27.04	26.96	26.86	
Average per 100 pounds	do.	33.31	37.10	37.91	37.80	37.66	
Retail, United States average	Cents						
Beef, Choice grade	per pound	72.2	---	77.2	84.7	---	
Lamb	do.	69.0	---	71.0	77.5	---	
Pork, including lard	do.	40.2	---	46.6	45.7	---	
Index number meat prices (BLS)							
Wholesale (1926=100)		234.0	---	259.5	278.5	---	
Retail (1935-39=100) 7/		238.8	---	260.2	276.6	---	

1/ Annual data for most series published in Statistical Appendix to this Situation, February 1951.

2/ Grade names as used beginning January 1951.

3/ Chicago, St. Louis N. S. Y., Kansas City, Omaha, Sioux City, S. St. Joseph, and S. St. Paul.

4/ Number bushels of corn equivalent in value to 100 pounds of live hogs.

5/ Average of prices for January-February, March August and September.

6/ Average of prices for January, August and September.

7/ Index of retail meat prices, new weights.

Selected marketing, slaughter and stocks statistics for meat animals and meats 1/

Item	Unit	Jan. - Sept.		1950 Sept.	1951		
		1950	1951		Aug.	Sept.	Oct.
Meat animal marketings							
Index number (1935-39=100)		134	---	148	145	---	
Stocker and feeder shipments to							
8 Corn Belt States	:1,000						
Cattle and calves	:head	1,642	1,801	447	293	515	
Sheep and lambs	:do.	1,561	2,264	576	492	703	
Slaughter under Federal inspection							
Number slaughtered							
Cattle	:do.	9,673	8,619	1,196	1,064	956	
Calves	:do.	4,384	3,684	488	422	373	
Sheep and lambs	:do.	8,771	7,240	1,063	889	827	
Hogs	:do.	38,941	42,961	4,137	4,236	4,398	
Percentage sows	:Percent	17	---	16	29	---	
Average live weight per head							
Cattle	:Pounds	985	---	983	962	---	
Calves	:do.	203	---	241	250	---	
Sheep and lambs	:do.	96	---	93	95	---	
Hogs	:do.	247	---	233	262	---	
Average production							
Beef, per head	:do.	542	2/ 549	538	527	2/ 520	
Veal, per head	:do.	114	2/ 115	133	140	2/ 138	
Lamb and mutton, per head	:do.	46	2/ 47	44	45	2/ 44	
Pork, per head 3/	:do.	138	2/ 139	133	146	2/ 135	
Pork, per 100 pounds live weight 3/	:do.	56	2/ 55	57	56	2/ 56	
Lard, per head	:do.	36	2/ 37	32	38	2/ 34	
Lard, per 100 pounds live weight ...	:do.	15	2/ 15	14	14	2/ 14	
Total production	:Million:						
Beef	:pounds	5,215	2/ 4,712	640	558	2/ 497	
Veal	:do.	496	2/ 419	65	59	2/ 52	
Lamb and mutton	:do.	402	2/ 336	47	39	2/ 36	
Pork 3/	:do.	5,377	2/ 5,948	547	615	2/ 596	
Lard	:do.	1,405	2/ 1,570	131	159	2/ 148	
Total commercial slaughter 4/							
Number slaughtered	:1,000						
Cattle	:head	13,276	---	1,619	1,508	---	
Calves	:do.	7,513	---	834	726	---	
Sheep and lambs	:do.	9,624	---	1,164	1,001	---	
Hogs	:do.	47,197	---	4,999	5,224	---	
Total production	:Million:						
Beef	:pounds	6,867	---	832	768	---	
Veal	:do.	852	---	107	98	---	
Lamb and mutton	:do.	438	---	51	44	---	
Pork 3/	:do.	6,426	---	658	741	---	
Lard	:do.	1,612	---	152	182	---	
Cold storage stocks first of month							
Beef	:do.	---	---	73	87	94	94
Veal	:do.	---	---	7	7	8	8
Lamb and mutton	:do.	---	---	6	6	6	7
Pork	:do.	---	---	304	496	402	312
Total meat and meat products 5/	:do.	---	---	466	701	605	505

1/ Annual data for most series published in Statistical Appendix to this Situation, February 1950.

2/ Estimate based on weekly data.

3/ Excludes lard.

4/ Federally inspected, and other wholesale and retail.

5/ Includes stocks of sausage and sausage room products, canned meats and canned meat products, and edible offals, in addition to the four meats listed.

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